

Memorandum

MIAMI-DADE
COUNTY

Date: January 17, 2008

To: Honorable Chairman Jose "Pepe" Diaz
and Members, Airport & Tourism Committee

From: George M. Burgess
County Manager

Subject: Miami-Dade Aviation Department Capital Improvement Program Report

ATC
Agenda Item No.
7(B)

The Miami-Dade County Board of County Commissioners (BCC) adopted a Master Plan for Miami International Airport (MIA) and approved a \$6.2 billion Capital Improvement Program (CIP). The CIP at MIA includes an expanded and efficient airfield with four runways and several new taxiways, expanded parking, a central collection plaza, additional lanes at upper/lower terminal drives, and enhanced connections to the surrounding expressways and Miami Intermodal Center (MIC)/Rental Car Center. The Terminal is expanding from 3.5 million to 7.4 million square feet with 101 international gates and 26 domestic gates, for a total of 127 gates with 555 ticket counters and 120 Self-Service Devices (SSD). Separate Federal Inspection Services (FIS) locations in North, Central and South Terminals will have the capacity to process 7,400 passengers per hour.

The following is the status of the two major components of the CIP: North Terminal Development (NTD) Program and South Terminal Development (STD) Program:

NORTH TERMINAL PROGRAM

Contractual Issues

- Parsons-Odebrecht Joint Venture (POJV) has signed and executed the majority of Trade contracts
 - No change from previous update.
- On October 17, 2007, as previously expected, two (2) bids were received for the Terminal Wide Improvement (TWI) project; one from MCM-Dragado Joint Venture and other from The Tower Group. The CSBE related documents (Envelope A) were given to SBA. The reading of the bid prices (Envelope B) was conducted on Friday, October 19, 2007, at 1:00 p.m. on the 18th floor of the Government Center Building. The low bidder was approximately 15% higher than the owner's estimate.
 - We have requested to reject the bids and to negotiate scope and costs with both bidders in order to bring the project within budget. A notice has been sent to both bidders informing them our intent to negotiate with both.

Construction Issues

- Daily North Terminal Development (NTD) POJV workforce is approximately 600 workers.
 - There are approximately 700 workers counting all Contractors working at the NTD construction site.
 - No change from previous update.
- The A-B project has completed almost all of the pile work; with the exception of the area under stair tower # 2 which is ongoing demolition by another contractor (Crompton), and the south side of the building which will be done upon closure of Concourse A. Pile caps are ongoing as well as vertical construction of columns. Project is progressing very well and within schedule
 - The project has substantially completed all auger piles; pile caps, and has continued to build columns. Demolition of both stair towers #1 and # 2 has been completed, but not according to the schedule. A mitigation strategy is being devised.
 - Concourse A was successfully closed on Friday, November the 9th (one day ahead of schedule).
- FPL took over the NTD vault for permanent power on June 13, 2007. Permanent power for the job site is up and running for the C-D project area. Work was completed as scheduled.
- Of the Ramp Control Tower at Concourse D:

- Target date for the TCO is December 18, 2007. American Airlines will probably not move until the end of the year holidays. This does not affect the schedule as there are close to 160 days of floating time.
- Four (4) construction deficiencies have been discovered affecting the headroom clearance of the stairs (which were built by the previous contractor TAAT). These conditions do not provide the minimum 6'-8" headroom clearance required by Code. Three conditions have plausible solutions that will be incorporated to remove the deficiency. However there is a condition in one flight of stairs in which the headroom clearance is 6'-4-1/2" (3-1/2" shorter than required) that would require major demolition and re-construction of one flight of stairs; and would have a major impact delay in the program if a variance by the Authorities Having Jurisdiction (AHJ) is not obtained.

Completion Work Issues

"Completion"¹ work that began in July 2006 continues. The B-C completion project No. 745B (Annex # 3) is progressing according to schedule. The key concern is achieving dry-in of the shell to allow the interior finishes to commence. The project has mitigated a number of impacts. The most significant was the modification to the storm water drainage, which was conflicting with the finish ceiling elevations. The pre-cast exterior panels have been installed, and the clerestory and curtain wall are being installed, which will complete the dry-in.

- Work is progressing according to schedule, glass panels are undergoing installation, and it is anticipated to have the portion of the building dry-in as per the schedule.
- The project has been able to successfully mitigate a number of probable time delay impacts. The most significant was the modification to the storm water drainage, which was in conflict with the finished ceiling. Turn over of Baggage Handling System (BHS) area 1 has been performed; and the BHS contractor Siemens has been diligently working on installation of conveyors.

Annex # 4 the C-D Infill and Automated People Mover (APM) Maintenance and Service Facility completion project has achieved substantial completion as of August 11, 2007.

Annex # 4 has been substantially completed pending only payment of the final payment requisition that POJV is preparing. This item will be closed in the next report. A draft of the Final invoice was reviewed by the NTD and returned to POJV for corrections and final invoice submittal.

- Turner-Austin Airport Team (TAAT) completion projects 737G and 737E have achieved substantial completion; and are in the process to receive a Temporary Certificate of Occupancy.
 - A number of few remaining items to complete are still being addressed. The team decided to obtain the final Certificate of Occupancy (CO) in lieu of a temporary one. The new date to obtain a CO has been established, and work will be executed concurrently with project 739A as Annex # 4 has been closed, pending only final invoice and payment.
- Project 769A is on schedule for the first time in the NTD program, also achieved substantial completion; and punch list items and issues are progressing extremely well.
 - We are still finishing punch list items as of this writing.
- Project 739H, Concourse D rotunda has obtained Substantial completion and work is progressing to obtain a TCO by April 2008.
- Civil apron work and other Building Contracts continue with Crompton and Marks Brothers. Concourse B demolition work is progressing slower than scheduled, but mitigating measures were

¹ The North Terminal Project construction work is comprised of several major components:

- Completion Work- this is the area between old Concourses B and C which was partially constructed under TAAT. It was left in an unfinished condition.
- BD- the area between old concourse B and D, on the "airside" of the terminal. It consists of new construction and extensive renovations to the existing terminal.
- AB- this is basically all-new construction between concourses A and B.
- TWI- this is the extensive renovation of the existing terminal area between concourses A and D.
- APM- this is the rooftop people mover system being supplied and installed by Sumitomo Corporation of America.
- BHS- this is the new automated baggage system being furnished and installed by Siemens.

implemented and progress improved dramatically, the last work remaining is demolition of the tower # 2.

- Towers were demolished, and this work is substantially complete. Civil work continues, and apron work has begun for the opening of Gate D-50.
- The next milestone is opening of Gates D-37 and D-38, which are scheduled to open on the second quarter of 2008.

Construction Phasing/Scoping

- Concourse A closed in November 2007.
- Drawings have been submitted by the engineer; and the NTD Construction Access Road has been approved by police, security, fire, and other pertinent Departments. This work will be bid under POJV.
 - A new traffic plan has been devised that will avoid the need to build the construction access road and will save the program approximately 3 million dollars.
 - The new traffic plan has been reviewed and approved by all key players, including but not limited to MDAD landside operations, POJV, NTD Team, and others.
 - Access to Concourse A landside requires minor modifications to the fence and building a bridge to go over some existing utilities. 100% Construction Documents have been submitted; and turned over to POJV for bids.

North Terminal Claims Status Report

On August 29th, the last of 335 construction claims on the NTD Project "inherited" from American Airlines was settled. There are still litigation matters pending.

Overall NTD Claims

NTD CLAIM STATUS	Number of Claims	Claim Amount	Settlement Amount	Settlement Check Amount	Status
PAID STATUS					
Claimants have picked-up Checks	190	\$ 122,009,609.66	\$ 55,826,971.60	\$ 55,300,324.50	Paid
PAYMENT IN PROCESS STATUS - (PROFESSIONAL COMPLIANCE DIVISION)					
With Professional Compliance Division - will be paid within 30 days	0	\$ -	\$ -	N/A	Next 30 Days
CLAIMS READY FOR BCC APPROVAL					
Next BCC meeting is 11/06/07 then 30 days with Professional Compliance	0	\$ -	\$ -	N/A	Next 60 Days
SUBTOTAL OF SETTLEMENTS:	190	\$ 122,009,609.66	\$ 55,826,971.60	\$ 55,300,324.50	Next 60 Days

	Number of Claims	Claim Amount	Offer Amount	
SETTLEMENT AGREEMENTS IN PROCESS				
County Attorneys Office	2	\$ 14,765.32	\$ 13,548.85	
ORB APPROVED				
Other Approvals in Process	1	\$ 85,000.00	\$ 85,000.00	
CLAIMANT STATUS				
Awaiting Claimant Action	26	\$ 10,163,150.70	\$ 1,707,640.46	
SUBTOTAL OF OFFERS:	29	\$ 10,262,916.02	\$ 1,806,189.31	

	Number of Claims	Claim Amount	Offer Amount	
CLOSED STATUS				
No Action Required	124	\$ 30,513,265.65	\$ -	

	Number of Claims	Claim Amount	Offer Amount	
PENDING STATUS				
Claims that have not yet been reviewed by the ORB	0	\$ -	\$ -	

	Total Number of Claims	Total Claim Amount	Total Settlement Amounts	Total Outstanding Offers	Status
GRAND TOTALS - NTD CLAIMS PROCESS:	343	\$ 162,785,791.33	\$ 55,826,971.60	\$ 1,806,189.31	

CSBE Claims

NTD CLAIM STATUS	Number of Claims	Claim Amount	Settlement Amount	Settlement Check Amount
PAID STATUS				
Claimants have picked-up Checks	27	\$ 3,599,157.57	\$ 2,425,126.38	\$ 2,062,443.82
PAYMENT IN PROCESS STATUS - (PROFESSIONAL COMPLIANCE DIVISION)				
With Professional Compliance Division - will be paid within 30 days	0	\$ -	\$ -	n/a
CLAIMS READY FOR BCC APPROVAL				
Next BCC meeting is 11/06/07 then 30 days with Professional Compliance	0	\$ -	\$ -	n/a
SUBTOTAL OF SETTLEMENTS:	27	\$ 3,599,157.57	\$ 2,425,126.38	\$ 2,062,443.82

	Number of Claims	Claim Amount		Offer Amount
SETTLEMENT AGREEMENTS IN PROCESS				
County Attorneys Office	0	\$ -		\$ -
ORB APPROVED				
Other Approvals in Process	0	\$ -		\$ -
CLAIMANT STATUS				
Awaiting Claimant Action	2	\$ 20,412.79		\$ 10,673.15
SUBTOTAL OF OFFERS:	2	\$ 20,412.79		\$ 10,673.15

	Number of Claims	Claim Amount		Offer Amount
CLOSED STATUS				
No Action Required	7	\$ 2,103,117.49		\$ -

	Number of Claims	Claim Amount		Offer Amount
PENDING STATUS				
Claims that have not yet been reviewed by the ORB	0	\$ -		\$ -

	Total Number of Claims	Total Claim Amount	Total Settlement Amounts	Total Outstanding Offers
CSBE GRAND TOTALS - NTD CLAIMS PROCESS:	36	\$ 5,722,687.85	\$ 2,425,126.38	\$ 10,673.15

AS OF 10/31/2007

SOUTH TERMINAL PROGRAM

Construction Status

- Two additional airlines (Lufthansa and Swiss) were relocated to the South Terminal, thereby completing 15 of the 19 airline relocations. Due to programming issues encountered on the baggage messaging system, all airline relocations will be completed by January 2008. All relocations from Concourse A have completed, which will facilitate the NTD construction. Concourse A is now officially closed.
- Contractor is currently working on completing the remaining CBP booths, elevators, escalators and moving walks, AHJ items, ADA items, and finishes.
- Punchlist inspections are progressing. The contractor is required by contract to completing all items within 90 days after substantial completion is granted. Over 10,000 items are anticipated to be included.

Current Issues

- Significant list of Building and Fire Department comments as well as remaining base contract work is pending in order to maintain TCO status and obtain final CO's.
- There remains a concern with the contractors providing proper staffing on the project in order to complete all the remaining work. Some of the sub-contractors as well as POJV are shifting personnel to other airport projects.
- Contractor continues to be behind schedule and anticipated at this writing achieving substantial completion for Phase I on November 27, 2007, and Phase II on September 11, 2009, due to AHJ modifications. This is being reviewed.

- POJV has forwarded to MDAD copies of letters and attachments from its Trade Contractors regarding claims to POJV for time extensions and additional compensation in the amount of \$135 million for events occurring from May 5, 2006, to present. MDAD has requested POJV to evaluate its Trade Contractors' claims and certify any resulting claim in accordance with County requirements as soon as possible for resolution. POJV has revised their schedule to complete their evaluation from November 2007 to February 15, 2008. Their justification is that the review process is more involved than originally anticipated. POJV is submitting periodic updates on their progress by way of partial claims analysis. MDAD has advised POJV that the Department will only accept one final certified claim but MDAD acknowledges that these partial submissions are helpful in analysis of such a large and complicated claim.

Summary

The Program Team followed the prior achievements of the First Domestic Flight, First International Flight, and First Concourse J Flight, with the achievement of relocating 15 airlines to the South Terminal to date. All Airline relocations from North to South and North to Central have been completed in order to de-link North Terminal from South Terminal. Continued focus will be required in order to complete the remaining airline relocations by January, and to complete the remaining portions of the facility for Substantial Completion. The Team continues to meet weekly to mitigate any schedule slippages. Contractor must provide further emphasis on their subcontractors, with productivity and craft staffing being essential requirements to complete the required schedule for completion.

A handwritten signature in black ink, appearing to read "N. J. ...", is written over a horizontal line.

Assistant County Manager